STAND. COM. REP. NO. 2081

Honolulu, Hawaii

FEB 0 5 2014

RE: S.B. No. 2020 S.D. 1

Honorable Donna Mercado Kim President of the Senate Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

#### Madam:

Your Committees on Economic Development, Government Operations and Housing, Transportation and International Affairs, and Agriculture, to which was referred S.B. No. 2020 entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

beg leave to report as follows:

The purpose and intent of this measure is to establish an agricultural foreign-trade zone and specify its boundaries, jurisdiction, and benefits.

Your Committees received testimony in support of this measure from the Agribusiness Development Corporation, Hawai'i Farm Bureau, and Sugarland Growers, Inc. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and one individual.

Your Committees find that foreign-trade zones are secure areas under United States Customs and Border Protection supervision that are located in or near ports of entry into Customs and Border Protection territory. However, as far as the provision of certain economic benefits, foreign-trade zones are generally considered outside of Customs and Border Protection territory. Essentially, foreign and domestic merchandise may be moved into foreign-trade zones for legal operations in order to receive benefits such as control over the timing of imposition of certain taxes and duty and control over the rates of certain taxes

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and duty imposed, high level of security and therefore protection against theft for merchandise stored in the foreign-trade zone, and satisfaction of certain exportation requirements imposed by law. Your Committees find that an agricultural foreign-trade zone in the State can assist agricultural businesses with warehouse savings, import and export resources, manufacturing incentives, and export financing.

Your Committees have amended this measure by:

- (1)Removing the parcel of land identified by tax map key 7-1-002-099 from the agricultural foreign-trade zone and inserting the parcel of land identified by tax map key 7-1-002-009; and
- (2) Making technical amendments to the listing of the tax map keys.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing, Transportation and International Affairs, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2020, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2020, S.D. 1, and be referred to the Committee on Ways and Means.

> Respectfully submitted on behalf of the members of the Committees on Economic Development, Government Operations and Housing, Transportation and International Affairs, and Agriculture,

DONOVAN M. DELA CRUZ.

CLARENCE K. NISHIHARA,

J. KALANI ENGLISH, Chair



#### The Senate Twenty-Seventh Legislature State of Hawai'i

## Record of Votes Committee on Economic Development, Government Operations and Housing EGH

Bill / Resolution No.:* SB 2020	Committee Referral:  EGH/TIA/AGIL, WAM  Date:  1/29/14						
The committee is reconsidering its previous decision on this measure.							
If so, then the previous decision was to:							
The Recommendation is:							
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313							
Members		Aye	Aye (WR)	Nay	Excused		
DELA CRUZ, Donovan M. (C)		X					
SLOM, Sam (VC)		X					
BAKER, Rosalyn H.					*		
CHUN OAKLAND, Suzanne		X	-		-		
ENGLISH, J. Kalani		7,					
THIELEN, Laura H.		X		3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			
WAKAI, Glenn					χ		
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TOTAL		6	D	0	2		
Recommendation:  Adopted  Not Adopted							
Chair's or Designee's Signature's							
Distribution:         Original         Yellow         Pink         Goldenrod           File with Committee Report         Clerk's Office         Drafting Agency         Committee File Copy							

\*Only one measure per Record of Votes

#### The Senate Twenty-Seventh Legislature State of Hawaiʻi

# Record of Votes Committee on Transportation and International Affairs TIA

Bill / Resolution No.:*	on No.:* Committee Referral: Date:						
SB 2020	EGH/TIA/A6L, WAM 01/29/14						
The committee is reconsidering its previous decision on this measure.							
If so, then the previous decision was to:							
The Recommendation is:							
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313							
Members		Aye	Aye (WR)	Nay	Excused		
ENGLISH, J. Kalani (C)		<b>X</b>					
DELA CRUZ, Donovan M. (VC)		1					
ESPERO, Will		X					
GABBARD, Mike				1.	×		
KAHELE, Gilbert		X					
KEITH-AGARAN, Gilbert S.C.		X					
KOUCHI, Ronald D.					×		
SOLOMON, Malama		<b>/</b>					
SLOM, Sam							
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TOTAL		700	0	$\mathcal{O}$	8		
Recommendation:							
Adopted Not Adopted							
Chair's or Designee's Signature:							
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\*Only one measure per Record of Votes

### The Senate Twenty-Seventh Legislature State of Hawai'i

### Record of Votes Committee on Agriculture AGL

Bill / Resolution No.:*	Bill / Resolution No.:* Committee Referral: Date:						
SB 2020 EUH/TIA/AU-129/14							
The committee is reconsidering its previous decision on this measure.							
I	If so, then the previous decision was to:						
The Recommendation is:							
Pass, unamended Fass, with amendments Hold Recommit 2312 2311 2310 2313							
Members		Aye	Aye (WR)	Nay	Excused		
NISHIHARA, Clarence K. (C)		X					
KOUCHI, Ronald D. (VC)	* .	.1			X		
DELA CRUZ, Donovan M.		X.					
ENGLISH, J. Kalani		X					
THIELEN, Laura H.		X					
WAKAI, Glenn					X		
SLOM, Sam		X					
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TOTAL		5	0	0	2		
Recommendation:							
Adopted Not Adopted							
Chair's or Designer's Signature:							
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Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy							

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